

PROBLEMS CONFRONTING TEACHERS IN THE OVERSEAS DEPENDENTS SCHOOL SYSTEM

SUBCOMMITTEE ON RETIREMENT AND
EMPLOYEE BENEFITS
OF THE
COMMITTEE ON POST OFFICE AND
CIVIL SERVICE
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INTRODUCTION

Since its relatively modest beginning in Germany in October 1946, the Overseas Dependent School System has grown into a worldwide system. Originally, 38 elementary schools and 5 high schools enrolled 2,000 American children who were taught by 120 teachers. Presently, the system has over 150,000 students in 294 schools in 27 countries and island groups with more than 8,000 professional staff personnel employed. In terms of enrollment, the system is a little smaller than the Dallas Independent School District and about 7 percent larger than the District of Columbia Public School System. Because of the dispersal of its facilities and the necessity of maintaining many relatively small schools in isolated areas, the resulting problems of management, staffing, and logistics of the system are unquestionably more complex than those of stateside schools. Courses of study parallel those of the public schools in the United States and standard approved textbooks are used. Students vary in background and heritage as widely as the regions within the United States from which they come. The junior high and high schools are accredited by the North Central Association of Colleges and Secondary Schools.

The program is funded by the Department of Defense annual appropriations acts; no permanent authorizing legislation has been enacted to provide for the establishment and operation of the system. While the General Subcommittee on Labor of the House Committee on Education and Labor has direct jurisdiction over the quality of the education and facilities provided overseas dependents, this subcommittee's jurisdiction lies in the structure of the personnel systems, pay, and benefits for employees. It is the firm conviction of this subcommittee that the two jurisdictions should not be viewed as being totally separate and apart, but rather intertwined such as differing threads in a finely woven cloth. For surely it can be said that among employees who have to meet the same qualifications and standards, the problem of disparate benefits which creates adverse effects both on teachers' morale and on developing a psychology of career commitment to teaching overseas should not be minimized, for an employee's morale has definite influence on the quality of work he turns out.

RICHARD C. WHITE,
Chairman.

LEGISLATIVE HISTORY

In the past, Congress has seen the wisdom of enacting legislation to correct the problems confronting overseas teachers with respect to the three areas previously identified. In this vein, the Defense Department Overseas Teachers Pay and Personnel Practices Act became Public Law 86-91. At the time of enactment, it was the feeling of Congress that this legislation would provide for and promote a school system in which all employees were treated equitably and on par with employees of similar systems in the United States. However, due to agency regulations, this has not been the case.

First of all, Public Law 86-91 made provisions for a system of personnel administration for school teachers, school officers, and other employees of the school systems comparable to the type of systems found in the majority of the primary and secondary public school jurisdictions in the United States. The committee found this legislation necessary in order to eliminate the difficulties resulting from the restrictions and limitations of the civil service laws and rules applicable at that time. Practically all of the problems under that system of employment and pay for overseas teachers stemmed from the fact that they were employed under civil service laws, rules, and regulations designed for full-time employees. The application of these laws to positions which operate only 9 or 10 months of the year caused hardship, misunderstanding, confusion, and contributed to high employee turnover. The teachers, prior to their employment overseas, had been employed in and were entirely familiar with the school systems of the United States where: (1) Salaries are based on the school year, educational degrees, and years of service; (2) the leave system is based on the actual school year; and (3) promotions and other personnel practices are based to some degree on activities carried on by the individuals during the summer recess period.

PUBLIC LAW 86-91, S. 96, JULY 17, 1959

SECTIONAL ANALYSIS

Section 1

Provides a short title for the act.

Section 2

Defines terms used in the act.

Section 3

Amends the Classification Act of 1949 by adding a new clause to section 202 of that act which will exempt from the provisions of that act "teachers" and "teaching positions" as defined in this act.

Section 4

Provides that the Secretary of Defense shall prescribe regulations governing the establishing of positions, the fixing of rates of compensation, the conditions of employment, and the length of the school year.

Section 5

Provides that the Secretary of each military department shall comply with applicable law, the regulations of the Secretary of Defense and this act in the application of employment and salary practices.

Section 6

(a) Provides, under regulations to be prescribed by the Secretary of Defense, for leave to be earned by employees (other than substitute teachers) covered by the act, at the rate of 1 day for each calendar month or part thereof of the school year, up to a maximum of 10 days in a school year, and for an accumulation of not more than 75 days of such leave.

(b) Provides that Saturdays, Sundays, regularly scheduled holidays, and administratively authorized nonwork days shall not be days of leave for the purposes of subsection (a) of this section.

(c) Provides, under regulations to be prescribed by the Secretary of Defense, that leave earned or credited under this section may be used as maternity leave, when the employee is ill, when there is a contagious disease or death in the immediate family, or in the case of a pressing personal emergency; except that 3 days of such leave may be granted during a school year for any purpose.

(d) Provides for crediting annual and sick leave which an employee has when his position is brought under this act or when he is transferred, promoted, or reappointed, without break in service, from a position under a different leave system to a position subject to this act. The annual leave so credited is not to be included in the leave provided under subsection (a) of section 6, but used under regulations prescribed by the Secretary of the military department concerned. Neither the sick leave credited nor the leave earned pursuant to this act shall become the basis for a lump-sum payment either upon separation or transfer from a position subject to this act.

(e) Provides that an employee subject to the act when credited with 75 or more days of leave (other than annual leave) may not earn additional leave until the amount of such leave to his credit is reduced to less than 75 days.

(f) Provides for liquidation of annual leave to an employee's credit upon separation from the service, in the manner prescribed by the act of December 21, 1944.

(g) Provides for the transfer of any annual leave, and leave credited under this act, under regulations of the Civil Service Commission when an employee is transferred, promoted, or reappointed to a position under a different leave system.

Section 7

Provides, under regulations prescribed by or under authority of the President, for quarters, quarters allowance, and the storage of household effects and personal possessions with provision for repayment

by the employee of actual moneys received or the value of the quarters and storage facilities in the event of failure to fulfill the teaching contract.

Section 8

Provides, under regulations prescribed by or under the authority of the President, for the payment of cost-of-living allowances in accordance with existing law.

Section 9

Provides a method for the conversion of annual rates of compensation under the Classification Act.

Section 10

Specifies that the Annual and Sick Leave Act of 1951 and the Federal employees Pay Act of 1945 shall not apply to employees in positions covered by this act.

This section provides, also, that under specified conditions employees subject to this act may accept employment during regular recess periods without regard to the dual compensation act. Further it is provided that such recess employment shall have no effect on the employee's insurance under the Federal Employees' Group Life Insurance Act or benefits under the Civil Service Retirement Act.

Section 11

Provides a necessary saving provision to protect employees during the period of transition until appropriate action is taken under the act.

Section 12

Establishes necessary effective dates.

In summary, the major provisions of this legislation had the effect of exempting overseas teachers from the Classification Act of 1949 and from certain other civil service and personnel procedures which were not appropriate for their positions. Their compensation was fixed by the heads of the respective military departments, subject to general regulations of the Secretary of Defense. Rates of pay were established in relation to rates for similar positions in the United States, not exceeding the maximum rates for teaching positions in the District of Columbia schools.

The legislation provided a program of sick and emergency leave similar to that provided for comparable personnel in the District of Columbia schools—a program designed to meet the special employment conditions of personnel in overseas schools.

Provisions were also made for the furnishing of quarters or a quarters allowance, and for storage of household and personal effects, during summer recess periods for teachers and other school personnel who signed renewal agreements and returned to their assignments at the beginning of the next school year. These allowances, as well as post differentials and cost-of-living allowances equal to those granted by law to other civilian employees, were authorized in accordance with regulations of the Secretary of Defense. The regulations also govern

conditions of employment and length of the school year in overseas schools.

Although not specifically directed at overseas teachers, Congress passed the Overseas Differentials and Allowances Act of 1960 which standardized the regulations applying to all Federal employees in stations overseas, regardless of employing agency. In stating the purpose of this legislation, both the Senate and House reports were in agreement as to the intent. The House report stated :

The purpose of H.R. 7758, as set forth in section 101, is to improve and strengthen the administration of overseas activities of the Government of the United States. This purpose is to be accomplished by the establishment of a coordinated and reasonable uniform system for more effectively compensating Government employees for additional costs, and for hardships and inconveniences, incident to their working assignments in overseas areas. The bill provides for uniformity of treatment for all overseas employees to the extent justified by relative conditions of employment. The allowances, differentials, and expenses authorized by the bill apply only to citizens of the United States employed by the Government in overseas activities, except as otherwise provided by law. This legislation carries out the recognized principle that the Government should provide uniform treatment for all of its civilian employees who are assigned to overseas posts of duty with respect to additional expenses, necessarily incurred by such employees in relation to their overseas service, which Government employees within the United States do not incur and with respect to hardships, inconveniences, and other differences in environment or conditions of employment at overseas posts of duty which justify additional compensation or allowances.

The Senate report stated :

The purpose of this bill is to improve and strengthen Government overseas activities by establishing a uniform system for compensating all Government employees in overseas posts irrespective of the agency by which they are employed. The bill would provide uniformity of treatment for all overseas employees to the extent justified by relative conditions of employment. Current applicable laws do not provide this uniformity. They authorize benefits for the employees of certain agencies, while the employees of other agencies are denied them because of the lack of statutory authority, even though the conditions of employment of the two groups are substantially the same. Thus, the bill extends certain benefits now authorized only for the foreign affairs agencies to nonforeign affairs agencies as well.

At this time, the importance of sound and effective personnel policies in the conduct of overseas programs of the Government was well recognized. United States citizens assigned to overseas civilian posts are responsible for an important part of the duties necessary to the success of our military and economic commitments in foreign coun-

tries. These employees in a sense represent the United States in the eyes of the world. The success of our programs abroad depends largely upon obtaining maximum results from their efforts. The effectiveness of the performance—and, consequently, the accomplished results of entire programs—are directly related to the facilities which the Government places in their hands to aid them in carrying out their assigned tasks.

PUBLIC LAW 86-707, H.R. 7758, SEPTEMBER 6, 1960

This legislation was developed through extensive hearings, conferences, and studies conducted over a period of years by the Civil Service Subcommittees of both the House and Senate Committees on Post Office and Civil Service, in cooperation with the Department of Defense, the Department of State, the personnel adviser of the President, the United States Civil Service Commission, the General Accounting Office, and other agencies having overseas responsibilities. It was intended to have the highly desirable effect of creating a single permanent statute for the consolidation and uniform payment of allowances and differentials based on the principle that the Government should compensate Federal employees serving outside the continental United States for additional expenses associated with such service and for differences in conditions of environment at overseas posts that necessitate additional compensation as a recruitment and retention incentive. The major provisions of Public Law 86-707 were: (1) consolidate in one act various provisions of law now found in several statutes, in order to provide a single continuing authority, uniform for all agencies for payment of allowances and differentials in foreign areas; (2) provide a basis for the more efficient and equitable administration of allowances and differentials; (3) make available to non-foreign-affairs agencies certain authorities previously available only to agencies authorized to use the Foreign Service Act provisions. The authorities extended by provision three above to non-foreign-affairs agencies (at that time the Department of Defense was considered to be a non-foreign-affairs agency) included:

- (1) The authority to pay a temporary lodging allowance upon first arrival at a new post;
- (2) The authority to include water as a utility to be covered by the regular quarters allowance;
- (3) The authority for payment of allowances in advance;
- (4) The authority to pay travel expenses for children who are transported to the United States for secondary or college education;
- (5) The authority to pay storage expenses for household effects;
- (6) The authority to pay the cost of unusual housekeeping expenses for the principal representative of the Government at a post;
- (7) The authority to ship privately owned motor vehicles under certain limited circumstances; and
- (8) The authority to grant home leave after 24 months of service abroad.

As previously mentioned, this legislation was not specifically directed at overseas teachers, however, its provisions, together with the provisions of the Defense Department Overseas Teachers Pay and Personnel Practices Act form the basis for the current policies that determine teacher benefits. These regulations are embodied in the Department of State's "Standardized Regulations (Government Civilians, Foreign Areas)" and the Department of Defense's "Joint Travel Regulations for Civilian Personnel," and have been the focus of many hearings and investigations by this subcommittee. These actions will be addressed in greater detail later in this report.

Two years after its enactment, Public Law 86-91 was amended for the first time. The 87th Congress passed legislation which subsequently became Public Law 87-172. This law made provisions for correcting two minor deficiencies or oversights in the existing law which had adversely affected the operation of the Defense Department Overseas Teachers Pay and Personnel Practices Act since enactment in 1959.

Section 7(c) of Public Law 86-91 provides authority for quarters and certain other types of allowances, during summer recess periods, for teachers who complete a school year and who agree in writing to serve for the next school year. Section 7(d) of Public Law 86-91 obligates any such teacher who does not report for duty at the beginning of the next school year to repay any allowance received during the summer recess regardless of the reasons for not reporting. Section 1 of Public Law 87-172 permits administrative relief in appropriate situations when a teacher is unable to report for the next school year for reasons beyond his control and which are acceptable to the Department of Defense. Such reasons include death, serious illness, accidents, et cetera.

The second change, section 2, made by this legislation related to the definition of "year" for the purpose of certain administrative actions in the case of teachers. Transportation could be furnished to and from overseas posts of duty if the employee agrees in writing to serve for periods of not less than 1 year, nor more than 3 years. Since the services of teachers are required only for the school year, a period of about 9 months, to comply with the letter of the law, a teacher had to spend 2 or 3 months in a nonpay status in the overseas area after the school term was over in order to accumulate the minimum period of 12 months of service required by section 7 of the Administrative Expenses Act. The other alternative for the teacher was to resign after completing the school year, and the Department of Defense to determine that such separation was for reasons beyond the control of the teacher and acceptable to the Department. By permitting the minimum period of overseas service for transportation purposes to be stated in terms of a "school year" rather than "12 months," the Department of Defense can now permit the return of a teacher to the United States at the close of a school year without the necessity of processing a resignation. Now the teacher is carried in a leave-without-pay status during the summer recess and entitlement to quarters or storage is clear because there is no separation.

PUBLIC LAW 87-172, S. 841, AUGUST 30, 1961

The second amendment to the Defense Department Overseas Teachers Pay and Personnel Act occurred in 1966. The 89th Congress passed Public Law 89-391, to correct inequities with respect to the basic compensation of teachers and teaching positions under the act.

The purpose of this legislation, as stated in both the House and Senate reports, was to establish a positive, reasonable, and fully effective legislative policy with respect to rates of compensation paid to teachers in the overseas dependents school system of the Department of Defense. Under this policy, the Department and the three military departments, must pay such teachers salary rates equal to the average range of salaries paid teachers having comparable levels of duties and responsibilities in urban school jurisdictions in the United States of 100,000 or more population.

Both reports went on to bluntly criticize the Department of Defense's failure to carry out the congressional intent in Public Law 86-91. The House report stated:

The mandatory payment of such equal salary rates, is consistent with, and will strengthen, the policy laid down by the Congress in enactment of the Defense Department Overseas Teachers Pay and Personnel Practices Act, which thus far has not been effectuated in accordance with congressional intent.

The Senate report stated, "Unfortunately, the law has never been administered in the manner which Congress intended."

The Congress understood that in enacting Public Law 86-91, they were providing a firm and reasonable formula for the payment of appropriate salaries of overseas teachers. That understanding did not prove itself. Public Law 89-391 provided a standard which although variable in amount, is positive because the precise dollar amounts in question are readily ascertainable. The legislation then went on to direct and require that the overseas teachers shall be paid salaries determined by the standard. There is no room for the substitution of independent views or judgments by any Federal civilian or military official. The average of the range of rates of salaries paid teachers having positions of comparable levels of responsibility in urban school jurisdictions of 100,000 or more population within the United States, were to be computed each year and the results of the computations to be applied directly to overseas teachers' salaries. These figures are matters of public record each year.

PUBLIC LAW 89-391, H.R. 6845, APRIL 14, 1966

As incredible as it may seem, this crystal clear mandate was ignored, in part, by the Department of Defense. Litigation (*Virginia J. March, et al v. The United States*, Civil Action No. 3437-70 before the U.S. District Court for the District of Columbia), was required before the congressional intent of the law could be carried out. Up until the recent

litigation, there was a one year lag in the salary schedule; the data derived from the previous school year was used to construct the salary schedule for the current school year. The actions of the 89th Congress, together with the subsequent litigation, have resulted in establishing the intended equitable pay scale. Many problems still exist, however.

As stated earlier, the joint regulations issued by the Department of Defense and the Department of State governing teachers' benefits have been the focal point for many hearings and investigations by this subcommittee. The purpose of the remainder of this report will be to pinpoint the existing problems resulting from the current policies carried out regarding the benefit structure for teachers of the overseas dependent school system. In addition, this report will provide recommendations for eliminating the widely disparate benefits that currently exist for teachers working side-by-side in the same system.

Pinpointing the major problem areas currently affecting overseas teachers is relatively easy due, in large part, to the extensive work done in this area by previous subcommittees. In 1972, the Subcommittee on Retirement and Employee Benefits, under the very able leadership of Chairman James M. Hanley, conducted a very thorough onsite investigation; this investigation included visits to the following major concentrations of schools: (1) Wiesbaden and Frankfurt, Germany; (2) Naples, Italy; (3) Madrid, Spain; and (4) London, England. The findings of this investigation are embodied in Committee Print 93-9, "Study of Benefits for Teachers in the Overseas Dependent School System." In concluding this report, Chairman Hanley submitted a series of 10 recommendations based on the findings obtained during the 3-week probe.

These recommendations served as the basis for the recent hearings conducted by this subcommittee and will be dealt with in more detail later. However, brief mention of the most important recommendation will be taken up at this juncture as it was not only brought up repeatedly at the recent hearings, but also in hearings during the 93d Congress. The first and most important recommendation set forth was that:

The new Subcommittee on Retirement and Employee Benefits should hold hearings as soon as possible on the question of changing the benefit system for overseas teachers. There is substantial evidence that the current system, both in theory and practice, has created substantial problems within teachers' ranks and has created many inequities.

In fact, the report went on to say that the most serious morale problem results from teachers working side-by-side in identical jobs yet receiving widely disparate benefits.

In general, that subcommittee found that a high quality education was being offered to dependent children thanks primarily to the dedication of the systems' teachers and administrators. However, the teachers often work against overwhelming odds including poor facilities in some areas, conflicting and vague interpretations of various personnel regulations, fluctuating priorities at various bases, and of course, the disparity in the benefit structure.

In the 93d Congress, the new Subcommittee on Retirement and Employee Benefits, under the chairmanship of the Honorable Jerome R. Waldie, did exactly as prescribed in the first recommendation of the previous subcommittee. A 1-day hearing on the subject of "Compensation of Overseas Teachers" (Serial No. 93-46) was held on Wednesday, April 10, 1974. One of the main topics discussed by the chairman was whether or not all teachers should be entitled to the same benefits regardless of their place of hire. The benefits granted to teachers hired in the United States but not to those hired onsite or locally are: (1) transportation to and from the United States, (2) housing or quarters allowance, and (3) shipment of household effects.

SUMMARY OF BENEFIT STRUCTURE

This problem—the disparity of benefits for teachers working side by side in identical jobs—set out by these previous subcommittee hearings, result from the Department of Defense's interpretation of Public Law 86-91 and the Department of State's interpretation of Public Law 86-707. The regulations issued by the Department of Defense are based on the Federal Travel Regulations published by the General Services Administration, the "Standardized Regulations (Government Civilians, Foreign Areas)" issued by the Department of State, and appropriate decisions of the Comptroller General of the United States. Executive Order No. 10903 of January 9, 1961, No. 10970 of October 27, 1961, No. 10853 of November 27, 1959, No. 10982 of December 25, 1961, and No. 11779 of April 19, 1974, authorized and directed the Secretary of State to exercise the following described statutory power of the President. (See pp. 11-14.)

As a result of the Department of State directives, the Department of Defense has prepared the following joint travel regulations. (See pp. 15-31.)

BENEFIT ELIGIBILITY

Benefits	Stateside hires	Local hires	NTE local hires
1. Housing allowance.....	X		
2. Transportation allowance.....	X		
3. Shipment of household goods.....	X		
4. Post differential ¹	X	X	X ²
5. Cost of living allowance ²	X	X	X ³
6. Health insurance—FEHB.....	X	X	
7. Civil service retirement.....	X	X	
8. Post privileges.....	X	X	X ³

¹ Based on environment and hardship.

² Washington, D.C., is used as the base for cost-of-living allowances.

³ Terminated when the school year ends.

- a. The authority vested in the President by 5 U.S.C. 5921(3), 5 U.S.C. 5922(b), 5 U.S.C. 5922(c) and 5 U.S.C. 5924(4)(B) to prescribe regulations defining the term "employee" and governing (1) certain waivers of recovery, (2) the payment of allowances and differentials authorized by 5 U.S.C. 5921-5925 and certain other matters, and (3) travel expenses for dependents of certain employees;
- b. The authority vested in the President by 5 U.S.C. 5913 to prescribe regulations governing the allotment of funds to posts in foreign countries to defray unusual expenses incident to the operation and maintenance of official residences suitable for chief representatives of the United States at such posts and to designate senior officials of this Government in foreign areas;
- c. The authority vested in the President by section 901 of the Foreign Service Act of 1946, as amended (22 U.S.C. 1131), to prescribe regulations governing allowances in order to provide for the proper representation of the United States by officers or employees of the Foreign Service;
- d. The authority vested in the President by other provisions of law (including section 235(1) of Title 38 of the United States Code) to prescribe regulations governing representation allowances similar to those authorized by section 901 of the Foreign Service Act of 1946, as amended;
- e. The authority vested in the President by sections 7 (a) and 8 (a) (1) and (2) of the Defense Department Overseas Teachers Pay and Personnel Practices Act (20 U.S.C. 905(a) and 20 U.S.C. 906(a)(1) and (2), as amended, (20 U.S.C. 901 et seq.), to prescribe regulations relating to quarters, quarters allowances, cost-of-living allowance, and post differential;
- f. The authority vested in the President by Section 3 of the Travel Expense Act of 1949 (63 Stat. 166), as amended (5 U.S.C. 5702), to establish maximum rates of per diem allowances for civilian officers and employees of the Government in travel status at localities in foreign areas as defined in 5 U.S.C. 5921.
- g. The authority vested in the President by 5 U.S.C. 5523(b), 5 U.S.C. 5523(a) and 5 U.S.C. 5527(a) (1) to determine additional allowance payments that may be granted to employees as necessary to offset the direct added expenses incident to an evacuation; (2) to terminate payments of monetary amounts to or for the account of employees; and (3) to coordinate the policies and procedures of the respective departments in the executive branch under the law; and

*031.3 Post Differential

- Post differential prescribed in Chapter 500 may be granted to employees who are described in sections 031.11 and 031.12, including married employees, and to employees officially stationed in the United States who are on extended detail (Sec. 541) in a foreign area,

except that:

- a. Post differential may not be granted to a non-spouse dependent employee who is a member of the household of another employee or of a member of the U.S. Armed Forces;
- b. Employees who are chiefs of diplomatic missions (22 U.S.C.802(9)) are excluded from eligibility for post differential.
- c. Employees of the Peace Corps shall not be eligible for post differential except as may be expressly authorized by the Director of the Peace Corps in amounts determined by him not in excess of those determined in accordance with subchapter 550.

(Each spouse, if otherwise eligible, may be granted post differential even though only one spouse may be granted living quarters allowance.)

An employee hired under former section 031.12d referred to in section 031.12 may continue to receive post differential prescribed in Chapter 500 while continuously employed in a foreign area and while he or she is otherwise eligible for a post differential.

031.4 Temporary Employees

Employees appointed on a full-time basis for temporary periods (FPM-Chapter 316, sub-chapter 4) may be granted the allowances and post differential for which they are eligible.

031.5 Part-time Employees

Part-time employees (FPM-Chapter 316, sub-chapter 4) shall not be granted allowances or post differential.

031.6 Employees Residing in the United States

Regardless of any other provision of these regulations, an employee who arrives at a new post (Sec. 040h) in a foreign area on or after December 1, 1961, and who occupies quarters in the United States (Sec. 040a) shall not be granted any post, supplementary post, living quarters, or education allowances or post differential that may be established for his post, unless such occupancy is the result of leave or official duty in the United States in accordance with other provisions of these regulations.

013 Authority of Head of Agency

When authorized by law, the head of an agency may defray official residence expenses for, and grant post differential, quarters, cost-of-living, and representation allowances to employees of his/her agency and require an accounting therefor, subject to the provisions of these regulations and the availability of funds. Within the scope of these regulations, the head of an agency may issue such further implementing regulations as he or she may deem necessary for the guidance of his/her agency with regard to the granting of and accounting for these payments. Furthermore, when the Secretary of State determines that unusual circumstances exist, the head of an agency may grant special quarters, cost-of-living, and representation allowances in addition to or in lieu of those authorized in these regulations.

020 EFFECTIVE DATES021 Current Regulations

These regulations shall be effective as of April 2, 1961. Amendments and revisions shall be effective as of the dates specified in each.

022 Superseded Regulations

The regulations contained herein shall supersede the Standardized Regulations (Government Civilians, Foreign Areas) of June 1953, as revised and amended.

030 APPLICABILITY

These regulations apply to male and female employees even though male pronouns may appear in the text.

031 United States Citizen Employees031.1 Quarters Allowances031.11 Employees Recruited in the United States

Quarters allowances prescribed in Chapter 100 may be granted to employees who were recruited by the employing government agency in the United States, the Commonwealth of Puerto Rico, the Canal Zone, and the possessions of the United States. In the case of married couples see section 134.13.

031.12 Employees Recruited Outside the United States

Quarters allowances prescribed in Chapter 100 may be granted to employees recruited outside the United States, provided that

- a. the employee's actual place of residence in the place to which the quarters allowance applies at the time of receipt thereof shall be fairly attributable to his/her employment by the United States Government; and

- h. The authority vested in the President by section 9 of the United Nations Participation Act of 1945 (59 Stat. 619), as amended by section 15 of Public Law 93-126 (87 Stat. 451-455), to pay a housing supplement to certain employees assigned to the U.S. Mission to the United Nations and to pay a housing and subsistence expense allowance to U.S. delegates and alternates to the United Nations General Assembly.

° 012 Exercise of Authority

The Secretary of State hereby prescribes the following regulations governing allowances, differentials, and defraying of official residence expenses in foreign areas. These regulations and any amendments and revisions to them shall govern:

- a. Granting of quarters allowances, cost-of-living allowances, and post differential authorized by 5 U.S.C. 5921-5925 for employees defined in section 040i and for employees defined in section 040j who may be authorized by other provisions of law to be paid allowances and differentials;
- b. Allotment of funds to defray official residence expenses authorized by 5 U.S.C. 5913;
- c. Granting of representation allowances authorized by section 901 of the Foreign Service Act of 1946, as amended, for officers or employees of the Foreign Service, and similar allowances authorized by other provisions of law (including Section 235 (a) (2) of Title 39 of the United States Code) for employees (Sec.040i) other than employees of the Foreign Service unless authority to prescribe regulations for such employees under any such act has been vested in, or specifically delegated to, someone other than the Secretary of State;
- d. Granting of quarters allowances, cost-of-living allowances and post differential authorized by sections 7 (a) and 8 (a) (1) and (2) of the Defense Department Overseas Teachers Pay and Personnel Practices Act (20 U.S.C. 905 (a) and 20 U.S.C. 906 (a)(1) and (2)), as amended (20 U.S.C. 901 et seq.);
- e. Maximum rates of per diem allowances for travel in foreign areas authorized by 5 U.S.C. 5702;
- f. The payment of compensation, post differential and allowances in the event of an emergency evacuation of employees or their dependents, or both, from duty stations for military or other reasons or because of imminent danger to their lives (5 U.S.C. 5521-5527);
- g. The payment of a housing supplement to certain employees assigned to the U.S. Mission to the United Nations, and the payment of a housing and subsistence expense allowance to U.S. delegates and alternates to the United Nations General Assembly.

DEPARTMENT OF DEFENSE CIVILIAN PERSONNEL

This copy is a reprint which includes current pages from Changes 1 through 102.

JOINT TRAVEL REGULATIONS

PER DIEM, TRAVEL AND TRANSPORTATION ALLOWANCE COMMITTEE
% OFFICE OF THE SECRETARY OF THE ARMY
WASHINGTON, D.C. 20310

1 July 1965

DOD CIVILIAN TRAVEL DETERMINATION NUMBER 1-65

TO: EXECUTIVE, PER DIEM, TRAVEL AND TRANSPORTATION ALLOWANCE
COMMITTEE

SUBJECT: Change to Joint Travel Regulations

REFERENCES: (a) Department of Defense Civilian Personnel, Volume 2,
Joint Travel Regulations
(b) CPR T3, with all changes thereto
(c) NCPI 4650, with all changes thereto
(d) AFM 40-10, with all changes thereto
(e) Department of Defense Directive 5154.20, dated 23 June
1964

By virtue of the authority vested in the Army, Navy, and Air Force members of this Committee by reference (e), the attached regulations relative to travel and transportation allowances of Department of Defense civilian personnel are hereby promulgated as reference (a) effective on 1 July 1965. Concurrently therewith references (b), (c), and (d), and any other existing regulations pertaining to travel of any civilian employees of the Department of Defense are rescinded.

In accordance with reference (e), the regulations contained in reference (a) have been drafted in such manner that they require no further entitlement implementation by DOD components and no such regulations shall hereafter be issued.

This determination will be reproduced on the reverse of the title page of reference (a) for the information and guidance of all concerned.

STANLEY R. RESOR
Under Secretary of the Army

KENNETH E. BELIEU
Under Secretary of the Navy

LEONARD MARKS, JR.
Assistant Secretary of the Air Force

INTRODUCTION

10

DEPARTMENT OF DEFENSE CIVILIAN PERSONNEL

FOREWORD

The regulations contained herein are promulgated by the Per Diem, Travel and Transportation Allowance Committee. This Committee is chartered under the Department of Defense with membership at the Under Secretary or Assistant Secretary level in the Departments of the Army,

Navy, and Air Force. The Department of the Army has been assigned responsibility for providing logistic, communications, and civilian personnel support for the Committee staff, and the Department of the Navy has been assigned printing responsibility.

PURPOSE AND AUTHORITY

DEPARTMENT OF DEFENSE CIVILIAN PERSONNEL is Volume 2 of the two volumes comprising the Joint Travel Regulations. It implements 5 U.S. Code 2105, 2106, 5561, 5564, 5701-5708, 5721-5730, 5742, and other statutes pertaining to per diem, travel, or transportation allowances of civilian employees in the Department of Defense, and statutory regulations and Executive Regulations, issued thereunder. With the exception of employees of the Department of Defense appointed under Section 625(d) of the Foreign Assistance Act of 1961, as amended, who are entitled to per diem, travel, and transportation allowances in accordance with Volume 6, State Department Foreign Affairs Manual, it will be the sole entitlement implementation by Depart-

ment of Defense components. As specified in Department of Defense Directive 5154.20, requests for decision of the Comptroller General of the United States relative to per diem, travel, and transportation allowances of the Department of Defense civilian employees will be submitted via the Committee. In the event of a dispersal of headquarters, the authority for prescribing the entitlements in these regulations shall be vested in the individual Committee member to issue separately necessary regulations prescribing entitlements applicable to his Service until the headquarters activities are again centralized, at which time such authority shall be vested in the Committee members to issue the regulations jointly again.

PARAGRAPH NUMBERING SYSTEM

The paragraph numbering system of Volume 2 is coordinated with that of Volume 1 of the Joint Travel Regulations. Thus, the volume letter "C," followed by the 4-digit paragraph number (or 5 in the case of chapters over 9) and its subparagraph designators formulate the paragraph numbering system as shown in the following breakdown:

Paragraph	C	7	003	3b(1)
Volume 2	↑	↑	↑	↑
Chapter 7		↑	↑	↑
Paragraph 003			↑	↑
Subparagraphs				↑

Reference to the paragraphs in the regulations in correspondence, messages, etc., will be shown in the following manner:

JTR, par. C 7003
JTR, par. C 7003-3b(1)
JTR, pars. C 7003-C 7013

Paragraphs and subparagraphs may contain itemizations in which case reference to a specific item will be made as follows:

JTR, par. C 7003-2, item 2
JTR, par. C 7003-2a, item 2

The lowest unit of paragraph or subparagraph breakdown applicable will be used.

PAGE IDENTIFICATION

Page Numbers

The pages of this volume are numbered in a separate series for each chapter and appendix. The pages of a chapter are numbered in sequence with Roman numerals for the contents pages and Arabic numerals for the text pages. Each page number is preceded by the number of the chapter; for example,

Chapter 2 is numbered: 2-i, 2-ii, etc., 2-1, 2-2, etc. The Introduction and volume Contents pages which precede the chapters are numbered in lower case Roman numerals: iii, iv, v, etc. An appendix is numbered in sequence with Arabic numerals preceded by the letter designating the appendix; for example, the 1st page of appendix B is numbered b-1.

Running Heads

To facilitate finding paragraphs, each page is identified with a running head. The number in the upper left corner of the left page indicates the number the first paragraph to begin on that page. The number in the upper right

corner of the right page indicates the number of the last paragraph to begin on that page. If a paragraph does not begin on a page, the paragraph number appearing in the upper corner of the page is the last paragraph to begin on preceding pages.

CHANGES

- Regular changes, numbered consecutively, are issued in page form.

When it is necessary to supplement the page changes with explanatory or restrictive information, such instructions are included on the cover sheets. Therefore, users of the volume and/or those charged with its maintenance must read each cover sheet carefully both before following the new procedures and before inserting the new pages in the volume.

New or revised instructions appearing on the pages comprising a change are indicated by a ★ placed immediately preceding the new or revised portion.

Changes to text material which are effective on dates prior or subsequent to the effective date of any change will be indicated by a notation in parentheses immediately preceding the caption of the applicable paragraph when the entire paragraph is affected or immediately preceding the caption of the applicable subordinate unit when only that unit is affected; for example, "(Effective 1 January 1965)."

A list of sheets in force in the volume is issued with each change for the purpose of verifying the accuracy of the volume. Pages removed in effecting a change should be retained until after the accuracy of the volume has been checked so that they may be replaced if removed in error. Pages that have been superseded by new material may be retained to serve any administrative requirements.

★FEEDBACK REPORTING

One of the main objectives of all personnel responsible for the issuance of these regulations is to produce a working publication that is easily understood and that can be used effectively in the payment of travel and transportation allowances. A continuing effort is made to make maximum use of non-technical language and to gain an easier readability. Vague cross-references are being eliminated and replaced with specific language even at the expense of repetition. Free use is being made of a wide variety of presentation techniques including itemization, illustration, examples, and decision logic tables. That technique which appears to present the material in the most understandable manner is selected in each case.

To assist in locating material, there is a table of contents showing the main subject covered by each chapter. At the beginning of

each chapter is a further outline by title of each numbered paragraph within that chapter as well as the listing by title of each lettered part of the chapter. An alphabetical subject matter index, providing further capability to locate desired material, follows the last appendix.

The users can help improve this publication by objective feedback reporting. Constructive criticism pointing out specific improvements desired is welcome. You may address such comments to the Advisory Panel member of your Service as shown in the following example for Army comments:

Army Advisory Panel Member
c/o Per Diem, Travel and Transportation
Allowance Committee
Room 7A153, Forrestal Building
Washington, D.C. 20314

SOURCE OF PROCUREMENT

Requests for copies of this volume and changes thereto will be made through the

regular supply channel of the appropriate service.

CHAPTER 1

GENERAL PROVISIONS

PART A: APPLICATION, AUTHORITY, IMPLEMENTATION

C1000 APPLICATION

1. **INCLUSION.** The provisions in this volume apply to:

1. Department of Defense personal services contract employees (see 27 Comp. Gen. 695), and Department of Defense civilian officials and employees and their dependents, including non-United States citizens employed by the Department of Defense by direct hire in overseas areas, except as subject to restrictions and limitations imposed by overseas commands concerned or by agreements with the local government involved; and civilian marine personnel of Military Sealift Command to the extent provided in Civilian Marine Personnel Instruction 4650 (Navy);
2. civilian officials and employees of other Federal Government departments and agencies who perform official assignments for and at the expense of the Department of Defense;
3. persons, other than those in items 1 and 2, who perform official temporary assignments under Department of Defense invitational travel orders involving Government business (including non-United States citizen indirect hires);
4. National Guard technicians employed pursuant to 32 U.S. Code 709;

(Effective 19 May 1975)

- ★ 5. persons employed intermittently as consultants or experts and paid on a when-actually-employed basis or persons serving without compensation or at one dollar a year for official travel away from home or regular place of business and while at place of employment or service for the Government.
2. **RESTRICTION.** The provisions in this volume do not apply to officials and employees of nonappropriated fund activities traveling on nonappropriated fund business, to representatives and employees of contractors under contracts with the Department of Defense, except as provided in par. C5001, item 9, or

to employees of the Department of Defense appointed under Section 625(d) of the Foreign Assistance Act of 1961, as amended.

C1001 AUTHORITY

Authority for the regulations in this volume is provided by various laws pertaining to per diem, travel and transportation allowances for civilian employees, including 5 U.S. Code 2105, 2106, 5561, 5564, 5701-5708, 5721-5730, 5742, and the Defense Production Act of 1950 (64 Stat. 819, as amended; 50 U.S. Code, App. 2160). Authority also is provided by Executive Orders, General Services Administration Commuted Rate Schedule, and Department of Defense directives (see Appendix A). In addition, provisions are incorporated that are based on the Federal Travel Regulations published by the General Services Administration, the Standardized Regulations (Government Civilians, Foreign Areas) issued by Department of State, and appropriate decisions of the Comptroller General of the United States.

C1002 IMPLEMENTATION

Under Department of Defense Directive No. 5154.20, the provisions in this volume, and subsequent amendments thereto, are effective on the basis of promulgation by the Per Diem, Travel and Transportation Allowance Committee, without further entitlement implementation by the separate departments. The separate departments may issue related administrative procedures provided they do not controvene or unnecessarily duplicate the provisions in this volume.

C1003 EMPLOYEE INFORMATION

Department of Defense pamphlets Temporary Duty Travel (AFP 40-5-6; CPP 64; NAVSO P-2433; DSAH 5000.1) and Permanent Change-of-Station Travel (AFP 40-18; CPP 63; NAVSO P-2432; NAVMC 2623; DSAH 5000.2) giving information relating to temporary duty and permanent change-of-station travel are available to employees as guidance information. They may be obtained from supply sources as provided in applicable regulations of the separate departments (see Appendix B).

CHAPTER 4

PERMANENT DUTY TRAVEL

PART A: GENERAL CONDITIONS

C4000 SCOPE

1. GENERAL. This chapter covers permanent duty travel within and outside the continental limits of the United States. For transportation of dependents, household goods, mobile homes, and privately owned motor vehicles, see Chapter 7. Permanent duty travel includes:

1. first duty station travel of a person who is not an employee of the Government from his place of actual residence for the purpose of entering on duty as an employee at his first duty station;
2. permanent change-of-station travel in the interest of the Government from one duty station to another without a break in continuity of employment with departments and agencies of the Federal Government;
3. renewal agreement travel from an overseas duty station to place of actual residence for leave purposes and return overseas between consecutive tours of duty without a break in service under an agreement (return is to the same or another overseas duty station);
4. separation travel from an overseas duty station to place of actual residence for separation from Federal service upon satisfactorily meeting the period of service requirement prescribed in an agreement;
5. travel of a former employee separated by reason of reduction in force or transfer of function who is re-employed within 1 year of separation under a nontemporary appointment at a permanent duty station other than where separation occurred.

2. LIMITED ENTITLEMENT FOR ALLOWANCES WHEN FAMILY INCLUDES MORE THAN ONE EMPLOYEE. When the husband or wife and other members of an immediate family (see definition of "Dependent" in par. C1100) in the same household are transferred from the same or different old permanent duty stations located in the same approximate area, to the same or different new permanent duty stations located in the same approximate area and are eligible as employees for allowances under the regulations of this volume, entitlement to allowances will be limited to either the husband

or wife, with the other employee(s) being eligible as dependent(s) only. The same limitations apply to:

1. new appointees with regard to travel to first duty station(s);
2. employees performing overseas employees renewal agreement travel except as provided in par. C4003-2;
3. overseas employees returning to places of actual residence for separation, and combinations of otherwise eligible employees in the same household.

C4001 AGREEMENT FOR TRANSPORTATION ENTITLEMENT

1. GENERAL. An agreement for transportation entitlement is an understanding between the department and the employee wherein the department agrees to furnish transportation and other related allowances (see Table of Eligibility in Appendix F), in consideration for which the employee agrees to remain in the Government service for a specified period or such part thereof as his services may be required. In addition, in the case of appointment or transfer to a position outside the continental United States, the employee agrees to complete the prescribed tour of duty at the overseas duty station in order to be eligible for return travel, transportation, and other related allowances. The completion of the period of service specified in the agreement establishes transportation eligibility and does not, in itself, terminate the employee's employment. Such an agreement may be an initial agreement or a renewal agreement. An initial agreement provides eligibility for transportation of an employee, his dependents, and household goods. A renewal agreement provides eligibility for round trip transportation of an employee and his dependents for the purpose of taking leave between consecutive periods of overseas employment. A renewal agreement does not include entitlement to transportation of household goods. All or a portion of transportation entitlement may be lost under certain conditions (see par. C4007). The employee concerned will be furnished a signed copy of the agreement (initial or renewal) and the original will be placed in the employee's personnel folder. Agreement forms and their preparation and disposition will be as prescribed in Appendix D, Part III.

2. NEGOTIATION OF AGREEMENTS. Agreements for transportation entitlement may be negotiated by:

1. the Director of Personnel, Office of the Deputy Assistant Secretary of Defense (Administration), for employees of the Office of the Secretary of Defense, Organization of the Joint Chiefs of Staff, and United States Court of Military Appeals;
2. the Civilian Personnel Office, USNATO/SHAPE Support Group, Brussels, Belgium, for employees of the United States Mission to the North Atlantic Treaty Organization (USNATO);
3. activity commanders of Defense Nuclear Agency authorized to fill positions in that agency;
4. the Chief, Personnel Division, Defense Communications Agency, for employees for Defense Communications Agency;
5. Chief, Civilian Personnel Division, Defense Intelligence Agency, for employees for Defense Intelligence Agency;
6. officials of the Defense Supply Agency who have been delegated authority to issue travel orders involving agreements and persons acting for them;
7. Deputy for Resources Management, Defense Contract Audit Agency, for employees of DCAA;
8. the Chief of the office concerned in the National Security Agency, for employees of the National Security Agency (authority redelegated by the Director, National Security Agency);
9. activity commanding officers of the Army and Air Force having appointing authority to fill positions involved, civilian personnel officers authorized to act for and in behalf of such officers, members of the civilian personnel office staff designated to act for a commanding officer in effecting appointments, and personnel at other activities acting in response to a specific request from the officials cited in this item;
10. personnel of the Air Force occupying positions at activities to which responsibility has been delegated for recruiting employees for overseas assignments including overseas placement officers and recruiting officials;
11. officials of the Navy who have been delegated authority to issue travel orders involving agreements and persons acting for them;
12. Director, Program Management for employees of the Defense Advanced Research Projects Agency;
13. the Civilian Personnel Officer, Defense Investigative Service, for employees of Defense Investigative Service;
14. the Executive Officer, for employees of the Defense Joint Tactical Communications (TRI-TAC) Office;
- ★ 15. the Staff Director of Personnel for Headquarters, Defense Mapping Agency (DMA) and the Personnel Officer of each DMA component, for employees of Defense Mapping Agency;
- ★ 16. the designated appointing authority for employees of the Defense Civil Preparedness Agency.

C4002 WITH WHOM AGREEMENTS ARE NEGOTIATED

1. GENERAL. Agreements must be negotiated with the following:

1. a new appointee, or a student trainee when assigned on completion of college work, to a manpower shortage position (see par. C1100);
2. employees transferred or reassigned from one overseas post of duty to another overseas post of duty;
3. new appointees recruited for overseas service at a geographical locality other than that in which their place of actual residence is located;
4. employees transferred to and within the continental United States.

Agreements within the Department of the Navy will not be negotiated with employees who are under 21 years of age in the situations in items 2, 3, and subpar. 3.

2. EMPLOYEES RECRUITED OUTSIDE THE CONTINENTAL UNITED STATES FOR OVERSEAS DUTY. The provisions in subpar. 1 also apply to an employee recruited outside the continental

United States for assignment to an overseas official duty station in a different geographical locality from that in which the employee's place of actual residence is located (26 Comp. Gen. 679). This authority will be exercised in the best interest of the Department of Defense. The qualifications of the employee and conditions involved in his employment must justify the expenses incurred. Except for a new appointee assigned to a manpower shortage position within Alaska or Hawaii, transportation at Government expense will not be authorized for a new appointee for travel to a first duty station in the same geographical locality in which the employee's place of actual residence is also located (46 Comp. Gen. 838). The transportation entitlement is from the place of actual residence of the appointee to the overseas permanent duty station.

3. OVERSEAS LOCAL HIRES

a. General. Overseas local commanders in foreign areas will negotiate an initial agreement with a locally hired employee if the conditions in subpar. b are met. Local commanders in nonforeign areas will negotiate an initial agreement with a locally hired employee if the conditions in subpar. b are met and provided the position is one for which qualified local applicants are not readily available. To avoid misunderstanding at a later date, eligibility for return transportation will be determined at the time of appointment, or at the time the employee loses eligibility for return transportation, and recorded through the execution of an agreement.

b. Conditions. An initial agreement will be negotiated with only the following locally hired employees provided they are able, at the time of appointment or assignment, or at the time they lose eligibility for return transportation, to establish to the satisfaction of the appointing official, bona fide place of actual residence (see par. C4004) in the United States but outside the geographical locality of the post of duty:

1. a member of the Armed Forces of the United States separated locally for the

express purpose of accepting Federal employment (a) if committed to a specific vacant position prior to discharge date, and appointed no later than one month after the discharge date, or (b) if committed to a specific vacant position after retirement date and appointed not later than one month after the 180 day waiting period or waiver thereof;

2. an employee of another Federal department, agency, or instrumentality, Government contractor, Red Cross, nonappropriated fund activity, international organization in which the United States participates, and any other activity or agency which the overseas command determines to be operating in support of the United States or its personnel in the area, providing the individual was (a) recruited in the United States under conditions of employment which provided for return transportation, (b) committed to a specific vacant position before separation from prior employment, and (c) appointed not later than one month after termination of such employment;
3. a former employee of the same or another Federal department or agency separated by reduction in force during the previous 6 months who is on a re-employment priority list, and has been authorized delay in return transportation for the primary purpose of exercising re-employment priority rights;
4. a locally hired married employee who accompanied or followed his or her spouse to the overseas area and at the time of hiring had entitlement to return transportation as a dependent of a member of the military service or a civilian employee serving under an agreement providing for return transportation, if one of the following circumstances occurred: (a) death of the spouse, (b) divorce or legal separation, or (c) spouse departed from the post or area permanently;

The term "member of the military service" as used in this paragraph means a commissioned officer, commissioned warrant officer, and enlisted person on active duty in the U.S. Armed Forces.

4. **TEACHERS IN THE DEPARTMENT OF DEFENSE OVERSEAS DEPENDENTS SCHOOL SYSTEM.** Agreements are negotiated with school teachers who are recruited for or transferred to assignments in the Department of Defense Overseas Dependents School System (20 U.S. Code 901-907), provided they meet the conditions in subpar. 3b.

C4003 WITH WHOM RENEWAL AGREEMENTS ARE NEGOTIATED

1. **GENERAL.** Renewal agreements are negotiated with employees when they satisfactorily complete the prescribed period of service at an overseas duty post and have an acceptable place of actual residence (see par. C4004) located outside the geographical locality of employment. For additional conditions concerning teachers in the Department of Defense Overseas Dependents School System, see par. C4156. The commanding officer concerned may, at his discretion, refuse to negotiate a renewal agreement with an employee who was hired locally and did not sign a written agreement providing for return travel upon separation. In this connection, the Department of Defense component involved will notify the employee of its intention before the employee has completed a period of service equal to the period generally applicable to an employee of the Department of Defense component concerned and serving at the duty station involved, or in the same geographical locality.

★ 2. **MARRIED EMPLOYEES.** Except as precluded in subpar. 3, when a husband and wife are both employed in the same overseas locality by the same or different departments of the Government, the renewal agreement will be negotiated in one of the following manners:

1. with each of them separately, without the other being considered as a spouse (if this option is selected, other members of the household will not benefit twice);

2. with the one who is the head of the household only, with the other being considered as a spouse.

A determination as to which of the alternatives in item 1 or 2 is selected will be made in writing and will be signed by both husband and wife. A copy will be filed in the employee's personnel folder. The employee who elects to travel as the spouse does not thereby forfeit entitlement to return transportation of self, dependents, or household goods upon separation, which was accrued under initial agreement. Consequently, where the spouses have independently earned their respective entitlements, and they are required to make an election (see item 2), if one spouse ceases to be employed in the Federal service, thereby removing the basis for the election, the remaining spouse will be allowed to revert to the agreement held prior to the election. The spouse will also be permitted to negotiate a transportation agreement granting renewal agreement travel, if otherwise eligible. In computing the time limits for required service, the time should run from the return of the spouse from his or her last renewal agreement trip either under his or her own prior agreement or the husband's or wife's agreement, whichever is later (54 Comp. Gen. 814).

3. EXCEPTIONS

a. **General.** A renewal agreement will not be negotiated under the circumstances stated in par. C4150 nor with locally hired individuals described in subpars. b and c.

b. **Locally Hired Married Employee.** A renewal agreement will not be negotiated with a locally hired married employee who is in the overseas geographical locality because the spouse is in such locality as:

1. a member of the Uniformed Services,
2. a member of the Foreign Service of the Department of State,
3. a private individual,
4. an employee of a private individual,
5. an employee of a non-Federal organization.

c. **Locally Hired Employee Who is Unmarried and Under 21 Years of Age.** A renewal agreement will not be negotiated with a locally hired employee who

is unmarried and under 21 years of age whose parent is in the overseas geographical locality as:

1. a member of the Uniformed Services,
2. a member of the Foreign Service of the Department of State,
3. a civilian employee of the Federal Government,
4. a private individual,
5. an employee of a private individual,
6. an employee of a non-Federal organization.

C4004 PLACE OF ACTUAL RESIDENCE DETERMINATION

1. **EMPLOYMENT IN MANPOWER SHORTAGE POSITIONS.** The obligation of the Government for transportation to the first duty station is limited to movement from place of actual residence at the time of selection or assignment. The place of actual residence for use in connection with travel to the first duty station in the 50 States and the District of Columbia is that location where an individual dwelled for some time prior to selection for appointment or assignment to a shortage occupation. If the employee claims some other location as his place of actual residence at the time of selection, the burden of proof is upon him to show that his residence in the location where he dwells at the time of selection is temporary and that his place of actual residence is elsewhere. The location of a college in which a student is enrolled and where he has dwelled for 9 or 10 months in each of 3 or 4 years may or may not be considered his place of actual residence depending upon the facts presented.

2. OVERSEAS EMPLOYMENT

a. **General.** The obligations of the Government for transportation for purposes of overseas assignment, round trip travel under a renewal agreement, or return for separation are limited to movement to or from an employee's place of actual residence at the time of his assignment to overseas duty. Before an agreement is negotiated, the employment office will make every effort to ascertain and state in the agreement the correct place of actual residence. In the negotiation of a renewal agreement, the same place of actual residence shown in the employee's

original agreement will be stated in the renewal agreement unless it is determined that an error was made in the employee's place of actual residence when the original agreement was executed. In the event of the latter, the correct place of actual residence will be determined and stated in the renewal agreement. An explanation will be made a matter of record with the renewal agreement.

b. **Factors for Consideration.** The place of actual residence is the fixed or permanent residence, normally, where dependents and household goods are maintained at the time of an employee's appointment to an overseas position. Generally, the place of actual residence is the place from which transferred or appointed. This, however, is not always so. The desire of an applicant or employee to specify a location as place of actual residence that is not justified as reasonable, or merely because of an intention to establish residence or visit some place, will not be a basis for designating such place as that of actual residence for transportation eligibility purposes. All available facts concerning the employee's residence prior to assignment to overseas duty will be carefully considered such as home ownership, previous residence, temporary employment in city from which recruited, employment requiring residence apart from the family, the employee's voting residence, the place where the employee pays taxes. Additional factors for consideration, in the case of a local hire, are the length of absence from the claimed place of residence and the reasons for such absence; whether a residence has in fact been maintained to which the person expects to return; whether the person has in fact actually established residence locally overseas, participated in local elections, or obtained waiver of United States tax liability based on foreign residence which would negate a claim of place of actual residence in the United States (35 Comp. Gen. 244; 37 Comp. Gen. 846). Additionally, the conditions in par. C4002-3 will be used in determining place of actual residence in the United States.

c. **Documentation.** The information developed as a result of determining the place of actual residence will be placed in the employee's official personnel folder.

d. **Employee's Claim of Change in Place of Actual Residence.** Where place of actual residence has

been determined in accordance with subpar. b, no change is authorized during a continuous period of overseas service and none will be approved except in case of an error (35 Comp. Gen. 101; 39 Comp. Gen. 337). In the event of an error, the appropriate agreement will be corrected to show the employee's correct place of actual residence.

C4005 PERIOD OF SERVICE REQUIREMENT (TOUR OF DUTY)

1. **TRANSFERS TO AND WITHIN CONTINENTAL UNITED STATES.** The tour of duty in connection with transfers to or between permanent duty stations within the continental United States is 12 months.

2. **EMPLOYMENT IN MANPOWER SHORTAGE POSITIONS.** The tour of duty for first duty station travel in connection with appointment and assignment to manpower shortage positions in the 50 States and District of Columbia is 12 months.

3. OVERSEAS EMPLOYMENT

a. **General.** To the fullest practicable extent, tours of duty established for civilian employees of the Department of Defense in overseas localities will be uniform within each such area. Except as provided in subpars. b through j, tours of duty will be 36 months under original and 24 months under renewal agreements negotiated with employees assigned overseas. The tour of 24 months may be administratively reduced by 2 months for employees signing a renewal agreement to serve an additional tour at the same or another post. There is no eligibility for renewal agreement travel (other than as allowable for overseas school teachers subject to 20 U.S. Code 901-907) unless a minimum of 12 consecutive months of overseas service under an agreement has been completed immediately preceding the beginning of authorized renewal agreement travel (37 Comp. Gen. 62). For employees serving in a 36 months tour of duty area who are subject to the 5 year overseas service limitation, the 36 months period of service prescribed under an initial agreement may be reduced up to 6 months for the purpose of beginning authorized renewal agreement travel, provided that

the renewal agreement is for duty in a 36 months or 24 months tour area. However, when the initial agreement of 36 months is administratively reduced, the renewal agreement must prescribe a period of service that, when added to the number of months completed under the initial agreement, plus the number of months authorized as leave incident to the renewal agreement, will equal 60 months. Use of these reduced tours is authorized to permit scheduling leave at regular intervals, such as known slack periods or during school vacation periods for employees having dependents attending school overseas. For employees serving in a 36 months tour of duty area who are not subject to the 5 year overseas limitation, the 36 months period of service prescribed may be administratively reduced by 2 months for employees signing a renewal agreement to serve an additional tour at the same or another overseas post.

b. **24 Months' Tour of Duty Areas.** Tours of duty of the duration of 24 months are as follows:

Afghanistan

Australia (Northwest Cape)

Azores

Bahamas: Andros Island

★ Bahrain Island, for employees accompanied by dependents

Burma

Canada: Newfoundland (Argentia) only, for employees accompanied by dependents

Cuba (Guantanamo Bay), for employees accompanied by dependents

Greece

Iceland, for all employees on initial agreements accompanied by dependents

Iran (Teheran only)

Italy: Sicily (Sigonella) only, for employees on initial tour accompanied by dependents

Japan (Wakkanai), for employees accompanied by dependents

Korea, for all employees with duty stations in Seoul/ASCOM, Taegu, Pusan, K-16 Airfield, Chinhae/Masan and employees occupying designated key positions at all other duty stations

Laos

Liberia

Mariana Islands: Guam, Saipan, only

Morocco

Nigeria
 Panama Canal Zone
 Philippines
 Ryukyu Islands
 Saudi Arabia, for employees accompanied by dependents
 Singapore
 Taiwan
 ★ Thailand, for employees accompanied by dependents
 Turkey
 United Arab Republic
 Yugoslavia

c. 18 Months' Tour of Duty Areas. Tours of duty of the duration of 18 months are as follows:

★ Bahrain Island, for employees not accompanied by dependents
 Canada: Newfoundland (Argentia) only, for employees not accompanied by dependents
 Italy: Sicily (Sigonella) only, for employees on initial tour not accompanied by dependents; and for all employees serving a renewal agreement tour, whether or not accompanied by dependents
 Libya
 Pakistan
 Somalia

★ d. 12 Months' Tour of Duty Areas. Tours of duty of the duration of 12 months are as follows:

Alaska: Aleutian Islands, isolated mainland bases, Kodiak Island, only
 Ascension Island
 Bonin Islands
 Canada: Newfoundland: Gander, Labrador, St. Anthony, only, and Northwest Territories
 Christmas Island
 Cuba (Guantanamo Bay), for employees not accompanied by dependents
 Diego Garcia Island, Chago Archipelago, Indian Ocean
 Dominican Republic
 Eniwetok Atoll
 Ethiopia
 Greenland
 Iceland, for all employees not accompanied by dependents and all employees serving on a renewal agreement

Indonesia, for employees whose dependents are not authorized to accompany or join them in Indonesia
 Iran (all places except Teheran)
 Iwo Jima

Japan (Wakkanai), for employees not accompanied by dependents

Johnston Island

Korea, for employees with duty stations outside of Seoul/ASCOM, Taegu, Pusan, K-16 Airfield, and Chinhae/Masan occupying positions which are not within the designated key category

Kwajalein Atoll

Mahe Island, Seychelles Group, Indian Ocean

Midway Islands

Saudi Arabia, except for employees authorized entrance of dependents

Thailand, for employees not accompanied by dependents

Vietnam

West Indies: Eleuthera Island, Grand Bahama Island, Grand Turk Island, Mayaguana Island, San Salvador Island, St. Lucia Island, only

e. Tours of Duty Under Special Circumstances

(1) General. The tours of duty for the persons listed in subpars. (2) through (12) are an exception to the tours of duty listed in subpars. b, c, and d.

(2) Overseas Dependents School Personnel

(a) Professional Personnel in 20 U.S. Code 901-907 Teaching Positions. The tour of duty for persons in teaching positions under the DOD Overseas Dependent Schools System (see 20 U.S. Code 901-907 and DOD Directive 1400.13) will be one or two school years as required, plus the time required in the area because of arrival before the start of the school year and while awaiting transportation upon departure. The "school year," for persons in teaching positions, consist of not more than 190 working days including not less than 175 days of classroom instruction.

(b) Professional Personnel Not in 20 U.S. Code 901-907 Teaching Positions. The tour of duty for professional personnel not in 20 U.S. Code 901-907.

teaching positions will be 12 months in those areas where the tour of duty for other Department of Defense employees is less than 24 months. In all other areas, the tour of duty will be 24 or 36 months, as appropriate. Professional personnel not in teaching positions include school principals, administrators, and other personnel whose services are required for a full calendar year.

(c) Professional Personnel in 20 U.S. Code 901-907 Teaching Positions Reassigned Without Returning to the Continental United States to Positions Not Subject to 20 U.S. Code 901-907 for Which the Tour of Duty Is 36 Months. The tour of duty for professional personnel in 20 U.S. Code 901-907 teaching positions reassigned without returning to the continental United States to positions not subject to

20 U.S. Code 901-907 for which the tour of duty is 36 months will be a sufficient period of service, in addition to immediate prior overseas service, to complete 36 months.

(3) Employees of Defense Attachés. The Director, Defense Intelligence Agency, will administratively fix the tours of duty for employees of Defense attachés because of the nature of the conditions of such employment.

(4) Scientists on Sabbatical Leave. The tour of duty for scientists on sabbatical leave will be 12 months.

(5) Ammunition Inspectors (Surveillance). The tour of duty for ammunition inspectors (surveillance) in the following areas will be:

Permanent Duty Travel

C 4005

Germany, Hawaii, Italy, and United Kingdom-- 36 months upon original assignment and 24 months upon renewal.

Vietnam--12 months.

Iran--12 months for employees not authorized entrance of dependents and 18 months for employees authorized entrance of dependents.

All other areas--24 months.

(6) Civilian Marine Personnel of the Military Sealift Command. The tour of duty for civilian marine personnel of the Military Sealift Command will be 12 months.

(7) U.S. Naval Observatory Personnel. The tour of duty for U.S. Naval Observatory personnel assigned to the San Juan-El Leoncito region of Argentina will be 24 months.

(8) Consultants and Experts. The tours of duty prescribed in subpars. (2) through (7) do not apply to consultants and experts.

(9) Resident Technical Assistance Team, Talcahuano, Chile. The tour of duty for civilian employees of the Resident Technical Assistance Team assigned at Talcahuano, Chile, will be 24 months.

(10) Logistic Management Technicians, Army Materiel Command. The tour of duty for logistic management technicians who are assigned to logistic management offices established by the Army Materiel Command in Hawaii, Germany, and Japan will be 24 months.

(11) Employees of the National Security Agency. Because of the nature of the conditions of their employment, the Director, National Security Agency, will administratively fix the tours of duty of the employees of that agency.

(12) U.S. Naval Medical Research Unit No. 3, Addis Ababa, Ethiopia. The tour of duty for civilian employees of the U.S. Naval Medical Research Unit No. 3, Addis Ababa, Ethiopia, will be 24 months.

(13) Management Interns of the Department of the Air Force. The tour of duty for management interns assigned to the Management Intern Program of the Department of the Air Force in the area under the jurisdiction of Headquarters Pacific Air Forces will be 24 months. During the 24 month tour, the employee will be transferred to various posts throughout the area as management needs dictate.

f. Credit for Prior Service. The following personnel will be required to serve the employing military department for a period of 1 year from date of employment or a period

of time which, when added to their immediate prior period of civilian or military service, totals the prescribed tour of duty for the area, whichever is greater:

1. persons appointed by transfer from another Government agency whose immediate prior service has been in an overseas area and who transfer without performing renewal agreement travel;
2. military personnel who separate locally for the purpose of accepting employment and with whom agreements are negotiated;
3. Government contractor personnel who separate locally for the purpose of accepting Government employment and with whom agreements are negotiated;
4. locally hired dependents of military or civilian employees with whom an agreement was negotiated;
5. persons in the employ of an international organization in which the United States Government participates who are separated in overseas areas to accept Department of Defense employment and with whom agreements are negotiated;
6. employees of nonappropriated fund activities who separate in overseas areas to accept other Department of Defense employment and with whom agreements are negotiated under the conditions in par. C 4002-3b, item 2;
7. persons re-employed from a re-employment priority list with whom agreements are negotiated as provided in par. C 4002-3b, item 3.

g. Reassignment in Same Overseas Geographical Locality. When an employee is reassigned within a Department of Defense component in the same overseas geographical locality prior to completion of his tour of duty, the tour of duty specified in the agreement under which the employee is serving at the time of reassignment will continue in effect. At the end of the specified tour of duty, the employee is eligible for return transportation for separation or for the negotiation of a renewal agreement, irrespective of the length of time he has served the activity to which reassigned. If, at the time of reassignment, less than 12 months remain to be served after reporting for duty at the new station, a new agreement for the minimum period of 12 months will be required for entitlement to travel, transportation, and other allowances in connection with the permanent change-of-station movement.

h. Reassignment to a Different Overseas Geographical Locality. When an employee, serving at an overseas permanent duty station other than one at which he has reemployment

rights, is reassigned within a Department of Defense component to a different overseas geographical locality prior to completion of his tour of duty, credit will be given for prior service completed at the old duty station. A new agreement is required with the new tour of duty being 12 months or the difference between the tour of duty at the new duty station and the period of service completed at the old duty station, whichever is greater. Also see par. C4105. An employee who is serving at a permanent duty station overseas at which he has employment rights and who accepts reassignment within a Department of Defense component to a different overseas geographical locality prior to completion of his tour of duty, will be required to negotiate a transportation agreement obligating him to serve the full tour of duty prescribed for the new permanent duty station.

i. Employee's Services Not Needed for Entire Period of the Tour of Duty. When it is known in advance that an employee's services will not be needed overseas for the full period of the prescribed tour of duty, the employee may be employed for a lesser period without affecting entitlement for transportation to the overseas post and return transportation for the purpose of separation (26 Comp. Gen. 488). The agreement, however, will prescribe a tour of duty of 12 months in accordance with the provisions of 5 U.S. Code 5722. Employment may be terminated at any time during the agreed tour of duty when it is determined that the employee's services are no longer needed.

j. Establishment of Other Than Standard Tours of Duty

(1) General. A Department of Defense component having representation in an overseas area may establish a tour of duty for the area which varies from the prescribed tours if considered necessary for recruitment and retention of necessary personnel.

(2) In Areas of One or More Department of Defense Components. In areas where more than one Department of Defense component is represented, exceptions proposed by one or more Department of Defense components must be coordinated and approved by all Department of Defense components represented in those overseas areas. Upon approval by the Department of Defense components, the exception will be reported immediately, in writing, to the Assistant Secretary of Defense (Manpower). When such approval cannot be obtained, the Department of Defense component proposing the exception will submit to the Assistant Secretary of Defense (Manpower) a statement from the dissenting Department of Defense component(s)

supporting the position(s) taken. The Assistant Secretary of Defense (Manpower) will establish the tour for the area in question.

(3) Special Conditions. When special conditions justify, and the interested military departments concur, tours of duty may be established in a given overseas area which differ as between military departments, provided that every effort will be made to correct the special conditions which justify this practice and to establish a uniform tour of duty for the area as promptly as possible.

(4) Requests for Changes. Any changes or requests for changes in tours will be submitted with supporting data to the headquarters of the department concerned through appropriate command channels.

k. Effect of Increased or Decreased Tour of Duty. The tour of duty specified in each employee's agreement governs in cases where the tour of duty in an overseas area is increased. The increased tour of duty will only effect the employees who execute agreements after the date the increased tour is approved. If the tour of duty is decreased, employees serving under agreements which provide for a longer tour will be given the benefit of the decreased tour of duty.

C4006 DATE TOURS OF DUTY BEGIN

1. TRANSFER TO AND WITHIN CONTINENTAL UNITED STATES. The tour of duty in connection with transfers to or between permanent duty stations within the continental United States begins on the date the employee reports for duty at the new permanent duty station.

2. EMPLOYMENT IN MANPOWER SHORTAGE POSITIONS. The tour of duty under an agreement for first duty station travel in connection with employment in manpower shortage positions in the 50 States and the District of Columbia begins on the date the employee reports for duty at the permanent duty station.

3. EMPLOYMENT OVERSEAS

a. Under an Original Agreement. For employees recruited outside the geographical locality of the overseas employing activity, the tour of duty begins with the date of reporting at the overseas activity. For employees recruited locally under an agreement, the tour of duty begins on the date of entrance on duty, except with regard to dependents as provided in par. C4005-3f, item 4.

b. Under a Renewal Agreement. The tour of duty under a renewal agreement begins on the date the employee reports for duty at the overseas duty station following his completion of renewal agreement travel.

C 4007 LOSS OF ENTITLEMENT UNDER AN AGREEMENT

Denial of transportation and/or indebtedness subject to collection action for reimbursement of transportation furnished may be the result if there is:

1. failure, for reasons unacceptable to the employing activity, to meet or comply with the conditions specified in an agreement;
2. failure to report for duty assignment;
3. failure to return to country or geographical locality in which place of actual residence is located upon separation or in connection with leave under a renewal agreement;
4. failure to accept earned entitlement or begin authorized transportation upon separation within a reasonable time (see par. C 4202-2);
5. loss of dependency status under which there was previous entitlement, e.g., child reaches 21 years of age;
6. duplication of entitlement under separate statutes.

C 4008 VIOLATION OF AGREEMENT

Violation of an agreement refers to failure to meet or comply with the conditions specified in an agreement. Penalty and indebtedness conditions and collection requirements are prescribed in Chapter 11. Transfers from one duty station to another while serving under a current agreement within the same military department or agency, even though a new agreement is signed in connection with such transfer, is not an agreement violation.

C 4009 ACCEPTABLE REASONS FOR RELEASE FROM PERIOD OF SERVICE REQUIREMENTS

1. **GENERAL.** An employee serving under a transportation agreement at a permanent duty station in the continental United States or overseas may be released from the period of service requirement specified in the agreement for reasons beyond his control which are acceptable to the Department of Defense component in which the employee is assigned. Except as provided in subpar. 3, the determination of acceptability will be made by the commanding officer or an official designated by him at the activity where the employee is assigned.

2. ACCEPTABLE REASONS FOR RELEASE FROM PERIODS OF SERVICE REQUIREMENTS

a. **General.** Acceptable reasons for release from periods of service requirements in the continental United States or overseas service include, but are not limited to, the following:

1. illness not induced by misconduct;
2. enlistment or call to active duty in the Armed Forces;
3. exercising statutory re-employment rights within a time limitation which precludes completion of a period of service;
4. when an employee is released for the convenience of the Government, is separated because he is found physically or mentally unqualified, or is disqualified by lack of skill to perform duties for which recruited or for any other duties to which he could be assigned (employees separated because of illness induced by misconduct or because of misconduct are not to be considered separated for the convenience of the Government);
5. separation as a result of reduction in force.

b. **Overseas.** In addition to the acceptable reasons listed in subpar. a, the following conditions will be considered acceptable reasons for overseas employees:

1. when the immediate presence of an employee is required in the geographical locality in which place of residence is located because of an unforeseen emergency (The nature and extent of the "unforeseen emergency" must be established to the satisfaction of the commanding officer. Verification must be received from the American Red Cross or any other equally appropriate source considered reliable and trustworthy by the commanding officer. It may include such sources as private, State, or local welfare agencies; the attending physician; or a local pastor, rabbi, or priest.);
2. when completion of the agreed period of service would result in extreme personal hardship because of circumstances beyond his control, such as conditions seriously affecting the health, welfare, and safety of employee, serious illness or death in the immediate family, imminent breakup of the family group

(Responsible command officials must make a positive finding that such hardship factors exist, based, wherever possible, on verification of the facts through the Red Cross and/or other channels. Falsification of facts in connection with employment is not a reason beyond the control of the employee.);

3. when there are significant changes in the employee's employment situation or loss of economic privileges such as a significant salary loss resulting from downgrading from the grade level the employee accepted upon assignment, or a significant loss in overseas quarters allowance payments resulting from downgrading as distinguished from quarters allowance payments which may be reduced for other reasons.

3. TRANSFERS TO OTHER DEPARTMENTS OR AGENCIES. An employee, serving under a transportation agreement at a permanent duty station in the continental United States or overseas, who transfers to another de-

partment or agency, will be released from the period of service requirement specified in his current agreement provided he remains in the Government service for at least 12 months (see par. C 11007).

C 4010 DOCUMENTATION OF ENTITLEMENT AND LIMITATIONS

A record will be maintained in the employee's official personnel folder of transportation and storage entitlement, authorizations, and limitations. Maintenance of the record is limited to information and for the period of time necessary to meet the requirements and restrictions in this Part. Record material may be removed when it is no longer applicable.

The same complaints—complaints about personnel policies, complaints about the benefit structure—which prompted the investigations and hearings in both the 92nd and 93rd Congresses led this subcommittee to hold hearings on the same issues June 15 and 17, 1976. The findings from these 2 days of hearings will be presented below.

FINDINGS

One of the primary objectives of the recent hearings was to determine what progress had been made concerning the 10 recommendations set forth by Chairman Hanley in 1972. The series of recommendations and the comments of the Department of Defense follow:

RECOMMENDATIONS AND COMMENTS

1. The new Subcommittee on Retirement and Employee Benefits should hold hearings as soon as possible on the question of changing the benefit system for overseas teachers. There is substantial evidence that the current system, both in theory and practice, has created substantial problems within teachers' ranks and has created many inequities. The current pay system for overseas teachers was founded on the assumption that normal civil service procedures and pay scales are not applicable to the teaching profession. There are strong indications that the same can be said for the benefit structure for overseas employees which is not tailored for the relatively unique demands and structure of the teaching profession.

Comment.—The overseas allowances and benefits system covers all Federal employees abroad. The problems and inequities that this study has singled out apply to all U.S. employees abroad and are not unique to teachers. Since other employees face the same problems abroad as teachers do, we believe there is no need for a special set of benefits just for teachers. The major problem can be reduced to a simple dimension: locally hired employees are not eligible (except under unusual conditions) for housing, or housing allowance or for transportation benefits. Accordingly, it is our contention, and we are supported by State and OMB, that these benefits are intended as recruitment and retention incentives. Since that is the case, the Department concludes that these benefits are not needed and, under current regulations, cannot be justified where individuals already have taken up residence in a foreign area for their own personal convenience prior to being employed by the United States.

2. The Department of Defense should take immediate steps to base pay schedules on current rather than year-old schedules used by local jurisdictions in the United States. This was clearly the intent of Congress, and the failure of the Department to follow the law in good faith raises serious doubt in our minds as to its whole attitude toward overseas teachers. Failing this, Congress should seriously consider the speedy consideration of legislation to correct this inequity.

Comment.—The compensation practices of the DODDS have been revised, and salary schedules are now based upon current school year

rates. Since the data which are used to establish our pay rates are not available until sometime after the beginning of the school year, usually late November or early December, the pay schedules are issued and are applied retroactively to the beginning of the school year.

3. Similarly, the Department of Defense should immediately rescind its policy of granting salary credit for only 2 years' prior experience. Again, it was not the intent of Congress that such a restriction be placed into effect and it is not the practice of most school jurisdictions in the United States, which is supposed to be reflected by the dependent school system. Again, if the Department fails to act, Congress should move expeditiously to pass the necessary legislation.

Comment.—The compensation practices of the DODDS have been revised, and the practice of recognizing only 2 years of prior teaching experience in establishing a step rate has been discontinued. Credit is now given for prior experience on the same basis that such credit is accorded educators by urban school jurisdictions of 100,000 or more population in the United States. Data as to the amount of prior experience that is recognized for pay fixing purposes are obtained each year from the school systems included in the sample. The average number of years recognized is computed from these data and is established as the maximum that can be recognized by DODDS. Upon appointment (or reappointment), each educator is advanced one step on the appropriate salary schedule for each year of creditable service up to this maximum. Both Federal and non-Federal experience is so credited. For SY 75/76, up to 10 years of prior experience may be credited.

4. The Subcommittee on Retirement and Employee Benefits should initiate a study to determine the feasibility of granting teachers unlimited accumulation of leave which can be used for sickness.

Comment.—At the present time, 20 USC 904 limits the amount of teachers' leave which may be accumulated by DODDS teachers to 75 days. Amendatory legislation would be required either to increase or eliminate this ceiling. In this regard, the Department of Defense has included proposed legislation to accomplish this in its legislative program for both the 93d and 94th Congress. This proposed legislation currently is pending in OMB.

5. The Department of Defense should reconsider its rather inflexible policy of equating all teachers regardless of length of service with first lieutenants for the purpose of housing. Better base housing should be provided teachers with relatively long service.

Comment.—The Department of Defense, recognizing that teachers should not have to reside in the same type of quarters for their entire career, revised the housing policy in January 1973 to permit a teacher to move to more auspicious quarters after he or she had served several years with DODDS. Under the old policy, a teacher (for purposes of assignment to quarters) was considered to equate with an O2 (first lieutenant) and could never improve that lot. Under the new policy, a teacher, upon reaching step 5 on the salary schedule, would equate with O3 (captain) for purposes of assignment to quarters. Teachers residing in private rental housing on the local economy also receive a higher maximum living quarters allowance under the new policy.

The new "Military and Civilian Schedule of Equivalent Grades" is attached (see p. 36).

6. The Department of Defense should encourage a policy whereby teachers should be serviced by the closest finance office available; regardless of which service operates the finance office. If this in some cases proves impossible, every attempt should be made to see that teachers' checks are received on time, even if a special courier is required where the mail service has proved inadequate or inconsistent.

Comment.—Considerable effort has been made since this report appeared in September 1973 to eliminate pay problems without revising the centralized civilian pay concept prevailing throughout the European area. This concept was relatively new when the study was made, and it was apparently still suffering from growing pains. Special efforts were made, particularly in the outlying areas; that is, England, Italy, Bahrain, etc., and we believe most of the systemic problems have been eliminated. The few problems that recently have been brought to our attention involve the processing of payroll change items and transfer of records from one payroll office to another. An effort is under way to resolve these difficulties. Knowing the importance of pay to our employees continuous attention is given to this item, with the objective of assuring timely payment.

7. The Department of Defense should redouble its efforts to provide accurate, comprehensive orientation material for teachers moving into new areas.

Comment.—At the time the Hanley study took place (November-December 1972), it was the practice to recruit teachers on a country-wide basis. These recruited teachers were not assigned to a specific location until after their arrival in the overseas area. Since the recruiters and processors in the United States did not know where any particular teacher was to be assigned, only very general information could be provided during the stateside orientation.

This practice has been discontinued. A teacher is now recruited for and assigned to a specific school location. It is now possible, and the Department of Defense fully understands the need, to supply newly recruited teachers with as much information as possible prior to their departure for their overseas assignment.

A sponsorship program has been initiated in Europe with noteworthy military support. Under the provisions of this program, sponsors are designated for each teacher. They write to newly assigned teachers, providing them with local information as to the availability of Government housing, rental costs and availability of local economy housing, school/community information, facilities, weather, clothing, household furnishings, etc. They meet the teacher upon arrival and do what they can to reduce the "culture shock." This program has been very effective.

8. The Department's emphasis on the hiring of dependents should be reconsidered. Special attention should be given to the assertion that, on occasion, the policy has led to the hiring of less qualified teachers than nondependents who are immediately available.

Comment.—The Department of Defense has reviewed its policy which requires that locally available, fully qualified dependents be given preference in employment.

This policy was developed in response to a concern expressed by the Congress in 1971 for an enhancement of employment opportunities for dependents of members of the U.S. forces stationed abroad. A modification was made in August 1973 which permits the employment of a locally available nondependent candidate with clearly superior qualifications as an exception to the dependent hire policy. The regional superintendent is authorized to grant an exception when the nondependent's educational background, specialized experience, and credentials are clearly superior.

Preference need only be given to those dependents who are expected to remain in the area for the entire school year. If the sponsor is scheduled to rotate before the end of the school year, his (or her) dependents need not be hired under this policy.

9. Greater effort should be made to expedite requests for transfers and to give teachers desiring transfers precedence over new local hires.

Comment.—Transfer of teachers should occur when such a transfer is primarily indicated to be in the best interests of the Government, since payment of travel and transportation expenses are to be authorized only when the transfer is clearly in the best interests of the Government. If a transfer is undertaken solely for the convenience or benefit of the teacher, travel and transportation expenses cannot legally be authorized. Accordingly, we must establish some kind of ground rules for transfer which insure that in addition to meeting the interests of the teacher, there can be some demonstrable benefits in the interest of Government. An example of a transfer which is clearly in the best interest of the Government would be one in which a teacher would agree to serve in a hardship area for a specific period of time, with the understanding that at the end of that specified period of time, the teacher would be moved to an area of the teacher's preference. In contrast, if a transfer is requested solely because a teacher would like to encounter living experience in different parts of the world, such transfer should not be subsidized by the Federal Government unless there is a clearly demonstrated reciprocal benefit to the Government or to its school system. In terms of stability of the school system, and the fundamental economics of managing so vast a school system, prudence in selection of teachers, locations, and tenure are a continuing responsibility of the Department.

10. Both the Department and Congress should give serious consideration to proposals to place the jurisdiction for the overseas dependent schools in an education-related agency such as the Department of Health, Education, and Welfare.

Comment.—The Department of Defense was not requested to comment on this item. As of July 1, 1976, all parts—the Army dependent schools, the Navy dependent schools, the Air Force dependent schools—of the Oversea Dependents' School System have been consolidated into a single organization as part of the Office, Secretary of Defense. The subcommittee hopes that this action will eliminate many disparities within the system. However, this reorganization will be monitored very carefully to insure that the arbitrary and capricious directive, rules, and regulations that have characterized the system in the past do not recur.

MILITARY AND CIVILIAN SCHEDULE OF EQUIVALENT GRADES

The following table is based on the military/civilian relationship established for Geneva Convention purposes. Nonappropriated Fund positions will be considered equivalent to their counterparts under the General Schedule and Wage System and 10 United States Code 1581 positions will be considered equivalent to GS-16 through GS-18 positions. Navy Wage positions of Chief Pilot, Pilot, General Foreman, Foreman and Leader, not included in the table, will be determined by the Department of the Navy using the table as a guide. With respect to the Wage System, when a more precise relationship to military rank or General Schedule grades is necessary this will be determined by the installation commander using the grade groupings in the table as a guide. Finally, equivalent grades for other civilian employees not included in the table will be determined by the installation commander using the table as a guide.

Military Grade Group	Civilian Grade Group		
	General Schedule	Teachers (20 U.S.C. 901-907)	Wage System
0-7 thru 0-10	GS-16 thru GS-18	--	--
0-6	GS-15	--	--
0-5	GS-13 and GS-14	--	WS-14 thru WS-19 WL-15 and Production Support Equivalents
0-4	GS-12	Class IV and Class V	
0-3	GS-10 and GS-11	Class I Step 5 thru Step 15 Class II and Class III	
0-2 W-3 and W-4	GS-8 and GS-9	Class I Step 3 and Step 4	WS-8 thru WS-13 WL-6 thru WL-14 WG-12 thru WG-15 and Production Support Equivalents
0-1 W-1 and W-2	GS-7	Class I Step 1 and Step 2	
E-7 thru E-9	GS-6	--	WS-1 thru WS-7 WL-1 thru WL-5 WG-9 thru WG-11
E-5 and E-6	GS-5	--	
E-4	GS-4	--	
E-1 thru E-3	GS-1 thru GS-3	--	WG-1 thru WG-8

SUMMARY

All in all, with the notable exception of the first recommendation, this subcommittee has been pleased with both the progress and the personnel administering the reorganized Overseas Dependents' School System. This office has cooperated with the subcommittee throughout our hearings and in the preparation of this report. However, the fact remains that there are still two serious problems which have consistently undermined the will of Congress and, if left uncorrected, they could undermine the entire program. They are: (1) Granting of benefits based on arbitrary regulations and place of hire and recruitment rather than law; and (2) Arbitrary conversion from NTE status to career status without any guidelines for automatic conversion.

These problems, as mentioned repeatedly, stem from the benefit structure. During testimony before this subcommittee, the Deputy Assistant Secretary of Defense for Civilian Personnel Policy, Office of the Assistant Secretary of Defense for Manpower and Reserve Affairs, stated the current policy pertaining to teacher benefits and the rationale for this policy. The Secretary said that the granting of overseas differentials and allowances to employees is governed by the Department of State regulations which have appeared earlier in this report. These regulations do not authorize the payment of a differential or the granting of a living quarters allowance for locally hired teachers, except under unusual circumstances. One example of an unusual circumstance brought out in the hearings would be the authorization of a transportation allowance in the case of a woman who is abandoned overseas by her husband.

The Secretary went on to say that:

The basic purpose of these benefits which may be authorized for U.S. citizen employees in foreign countries are recruitment and retention incentives, as in the case of the post differential and the living quarters allowance, or to offset those additional expenses necessarily incurred because of overseas service, as in the case of the cost-of-living allowance. It is clear that there is no justification for payment of recruitment and retention incentives where individuals have already taken up residence in a foreign area for their own personal convenience prior to being employed by the United States. Some individuals travel overseas with the hope of enhancing their employment opportunities while other locally employed U.S. citizens may have been local residents for a considerable length of time. Most are dependents of military or civilian employees of the Department of Defense. While these locally available persons are utilized as appropriate, it does not follow that they should automatically become eligible for the recruitment incentive benefits. Offering these allowances to persons who are already in the foreign area for their own

convenience and seeking employment would be inconsistent with the basic intent of the allowances and thus could constitute an unwarranted expense to the Government.

In essence, the Department of Defense testified that by allowing only certain benefits as recruitment incentives, it is carrying out the intent of Public Law 86-91 and Public Law 86-707. However, the subcommittee noted that the "intent" as interpreted by the Department has been subject to change from time to time. Up until March 25, 1971, all the allowances and differentials could be paid to people who were hired locally. At the request of the Department of Defense, the State Department dropped a provision in the regulations which permitted some local hires who were temporarily in the foreign area for travel or formal study to be granted these additional benefits. In order to receive these benefits, it was required that immediately prior to such travel or study, an employee had to be a resident of the United States, Puerto Rico, or the Canal Zone. The reason given for dropping this provision was the "tremendous problems that we (DOD) were having in applying the judgmental factors as to the purpose of an individual being in the country. It was decided that rather than try to judge who should get it and not get it, it would be better not to give it to anyone hired locally."

Although there is no specific area of law that speaks to the granting of specific benefits for incentive purposes based on areas of recruitment, certain benefits have been interpreted as such. The law does, however, declare that the purpose is to improve and strengthen the administration of overseas activities by facilitating the recruitment and retention of the best qualified personnel for civilian service overseas. It is very difficult and at best heroic to believe that denial of benefits to U.S. citizens recruited overseas facilitates their retention. It is even more difficult to believe that the current policy is in accordance with "establishing the basis for more efficient and equitable administration of the laws compensating Government employees for the extra costs and hardships incident to their assignments." Another purpose stated in Public Law 86-707 is to provide for uniform treatment of Government employees stationed overseas to the extent justified by relative conditions of employment. The point of hire was not intended to be construed as a relative condition of employment. Nowhere in either the hearings, the reports accompanying the various bills, or in the actual law, is the point of hire or recruitment referred to as a relative condition of employment, or for the granting of benefits. However, throughout past hearings, reports, and legislation, other relative conditions of employment are discussed at length; these other relative conditions of employment are the same regardless of the point of hire: that is, school buildings and grounds, living environment, responsibilities, supervisors, et cetera. At this juncture, it is also of value to point out that both Stateside and local hires must meet the same minimum credential standards as a condition of employment. Yet, by regulation, not law, DOD has attempted to justify the granting of benefits to one group of U.S. citizens and not the other, based solely on the point of hire, or recruitment.

The disparity of benefits discussed up to this point has been directed at those teachers serving in career status with the only difference

being point of hire. The attention will now focus on another group: temporary teachers, known as NTE's (not to exceed) because of their employment is not to exceed the school year. Not only is this group ineligible for the transportation, housing, and shipment of household goods allowances, they are also ineligible to participate in the Civil Service Retirement System and the Federal Employees' health benefits program. They receive only commissary and exchange privileges, and cost-of-living allowances. However, these benefits are terminated at the end of the school year.

Provisions do exist for converting NTE's to career status, after the completion of 1 school year, but it is not automatic, and it is left primarily to the discretion of the administrators. The subcommittee has no objection to temporary teachers (NTE's) within the system as there is clearly a need for flexibility due to the changing manpower requirements at our overseas military bases. There does, however, appear to be some abuse of this flexibility based on the many complaints received by this subcommittee. This practice results from the policy whereby an individual is hired for 1 school year as an NTE and then terminated at the end of the year, and rehired in the same capacity the following year. This was brought out at the recent hearings; in fact, one man pointed out to the subcommittee staff that he had been employed in this NTE status for 10 years. The subcommittee feels there can be no justification for hiring the same person temporarily over a consecutive period of years other than convenience or lack of planning.

SUBCOMMITTEE RECOMMENDATIONS

In view of its findings, the subcommittee recommends that immediate action be taken to correct the existing inequities. This subcommittee recommends: (1) Even though the authority to grant the transportation allowance, the shipment of household effects allowance, and the quarters or housing allowance presently exists, legislation be enacted making these benefits available to all teaching career status employees, regardless of the point of hire. While the Department of Defense contends that there is no need for a special set of benefits just for teachers, it must be pointed out that Public Law 86-91, which exempts teachers from the Classification Act of 1949, was enacted for specifically this reason and with the blessing of the Defense Department. The subcommittee believes there should be as little room as possible for arbitrary and capricious substitution of independent views or judgment by any Federal civilian or military official, on U.S. citizens when they have to meet the same requirements for hire and have achieved career status.

(2) The Department of Defense should be directed that conversion to career status should be mandatory under law upon being hired for his or her third consecutive year.

(3) The Department of Defense should be directed to prepare a form by no later than the 1977-78 school year which all NTE's must sign acknowledging exactly what their benefits are to be and the duration of each benefit.



In making these recommendations, this subcommittee wishes to make one point very clear: Any legislation should be carefully worded to insure that there is no duplication of benefits, either public or private.

FUTURE STUDIES

The subcommittee recommends that the Department of Defense study and draft a program for the recertification of its teachers and administrators to be given not less than every 6 years, in order to insure its teachers are of top quality and highly knowledgeable in their fields. The subcommittee feels that DOD should be directed to look into the feasibility of granting a semester sabbatical leave on a rotating basis upon the completion of each 5 years of service.

COST

Although the cost of enacting legislation of the type recommended in point No. 1 has not been calculated, the Department stated in testimony that extending these benefits to local hires would be a residual factor. The number of people affected would be approximately 2 percent of the teacher work force.

